



Press Release

Contact: Isabel Box

Title: Marketing & Communications Manager

Tel: +32 (0)2 302 25 51 Mobile: +32 (0)485 31 79 63 E-mail: <u>ibox@deloitte.com</u> Pro League contact: Stijn Van Bever Title: Public Affairs Director & Spokesperson

Mobile: +32 (0) 485 62 65 88

E-mail: stijn.van.bever@proleague.be

Belgian professional football generates record revenues, reaches historically high levels of tax contribution, and boosts social investment

Pro League clubs got more than 110,000 people moving with social projects and support of local clubs

Brussels, 27 June 2023 – Belgian professional football achieved record revenues of €381.5 million in the 2021-2022 season. These are the findings of the annual study by Deloitte and the Pro League on the impact of Belgian professional football on society. Although revenues for Pro League teams are at an all-time high, club returns remain precarious. They recorded €16 million extra in losses in comparison to last year. The 2022 tax reform is linked to this with a 21% increase in taxes paid. Despite never having paid as much tax, clubs have also never invested so much in social projects and youth development.

More sales, less profit

Despite the consequences of the coronavirus pandemic and Belgian clubs' limited European campaign, Belgian professional football has never recorded as much turnover as in 2021-2022. In total, the clubs achieved an impressive turnover of €381.5 million—31% more than last year. Ticket sales are no longer the main source of revenue. TV rights and sponsorship are becoming increasingly important to clubs and are today the biggest sources of income.

Remarkably, record sales have not been accompanied by an increase in profits, quite the contrary. In total, the clubs recorded €16 million more in losses than last year. Of this amount, at least €14 million is the direct result of the 2022 tax reform, which saw clubs increase their tax expenditure by 21% in the first half of 2022, to €117 million.

In addition to the modified tax regime, salaries also represent a high cost for clubs. As a result of the international war for talent and the tax reform, they have seen their salary expenses rise by 22%. Belgian clubs were able to moderate the relationship between wages and costs, which fell from 77% in 2020/2021 to 72% in 2021/2022. This was possible by increasing their revenues and reducing average player wages by 5% to €253,000. This evolution is already reflected in the tightened squad spend ratio, one of the spearheads of the Football First plan approved by the Pro League General Assembly in July 2022.

In 2022-2023, Belgium finished eighth in the UEFA rankings, giving the champions of the country a direct ticket to the Champions League group stage in 2023-2024. This comes with a substantial prize fund of around €15 million for participation in the group phase. This should further increase the turnover and overall economic impact of Belgian football.

"Belgian professional football is on the up again. After a drop in revenues in 2020-2021, we are now achieving record revenues. Thanks to a boost in TV rights and sponsorship income, clubs are becoming less dependent on ticket sales, making their business model more sustainable. It should be noted, however, that higher revenues do not necessarily mean higher profits. For many clubs, the 2022 tax reform has undoubtedly been a financial blow, and it remains to be seen how they will absorb this increase in expenditure in the future. Some clubs will undoubtedly have to further adapt their business model," said Sam Sluismans, partner at Deloitte Belgium.

Economic and social impact on society

Alongside sales, the economic impact of Belgian football on society has also increased. In total, professional football contributed €1.195 billion to the national economy in 2021-2022. This is a 24% increase on 2020-2021, when professional football generated €962 million. A total of 642 jobs were also added, bringing the total number of jobs to 5,136, an increase of 14% on the 2020-2021 season. The growth in the number of jobs is mainly related to management.

Belgian professional football not only has an economic impact, but also a social one. In 2022, a total of 311 social projects were created and implemented by Belgian clubs, with a total of 96,500 participants, twice the number of last season. This is compared to 296 projects





created in 2021. The budget for these projects increased by 8% to €2.5 million. In addition, thanks to strong cooperation, professional clubs supported 99 amateur clubs with a total of 18,000 participants during the 2021-2022 season. With €2.2 million in solidarity contributions, the Pro League provides solid foundations for local football.

Investment by Belgian professional clubs in youth development also increased by 8.4%. In total, €58.1 million was invested in 2021-2022. This is 7.9 million more than the previous year, and almost twice as much as the legal minimum of €30.5 million. In total, professional clubs also supported 35 disabled teams, approximately twice the number from the previous season. Disabled teams are made up of footballers with physical or mental disabilities. Thanks to this support, over 779 disabled people have been able to play football.

"A professional football club is much more than just a company. Our clubs are companies, sports associations, cultural heritage and social institutes at the same time. For example, we get more than 110,000 people moving every year with our social projects and support for local football clubs. Our competitions have three million visitors annually and hundreds of thousands of viewers on television every weekend. In a difficult context, our clubs still manage to help shape the precious social fabric of our society. We want to put extra effort into this, which is why we are working on a new social contract between football and society. The social impact and investment in the training of young athletes show that a strong professional football sector only produces winners," said Lorin Parys, CEO of the Pro League.

About the report

The figures in the report are based on data from the annual reports of the Pro League and its 25 clubs (season 2021/2022), unless otherwise stated to describe the evolution of income and costs. Using economic indicators provided by the Belgian Federal Planning Bureau, Deloitte quantified the economic impact of the clubs. The full report is available here.

Deloitte in Belgium

With more than 6,000 employees in 11 offices in Belgium, Deloitte is the largest organisation in the field of audit, accounting, legal and tax advice, consulting, financial advisory services and risk advisory services.

Our services are aimed at the largest national and international companies as well as at SMEs, the public sector and non-profit organisations. Deloitte Belgium is an independent and autonomous organisation and a member firm of Deloitte Touche Tohmatsu Limited. For the financial year 2022, a turnover of €706 million was realised.

Deloitte Belgium BV is the Belgian affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited that focuses on the highest quality in delivering professional services and advice. Its services are based on a global strategy covering more than 150 countries. To this end, the expertise of over 415,000 professionals is available in all continents. For the financial year 2022, the turnover was more than \$59.3 billion.

Deloitte refers to a Deloitte member firm, one or more associated companies, or Deloitte Touche Tohmatsu Limited, which is a private limited liability company in the UK ("DTTL"). DTTL and its member firms are each legally separate and independent entities. DTTL (also known as "Deloitte Global") does not provide services to clients. Please visit http://www.deloitte.com/about for a more detailed description of the legal structure of DTTL and its member firms.

About the Pro League - Football & Social Responsibility

Building on its social role, the Pro League supports professional football clubs in developing their community and social programmes. This support takes the form of bi-monthly meetings, an ongoing exchange of best practices, and annual workshops and training sessions for clubs working with academia. The goal of this support is to ensure that all clubs have a local, strong and sustainable Football & Social Responsibility. Together with local authorities and social partners, these professional clubs offer a social programme to target groups in the region, both at local and supralocal level.

In addition, the Pro League organises various awareness initiatives in cooperation with governments: the Christmas campaign, a fundraising campaign for the social partner Younited Belgium, a national school tournament for primary schools. Besides that, the Pro League, in collaboration with its partners, is currently studying the possibility of launching an initiative to support minor refugees.

Finally, the Pro League and its partners are behind the Football Kick Off, an annual football tournament for young people with disabilities.